

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HF 2689 – Renewable Fuel Tax Changes (LSB 6451 HZ.1)

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Fiscal Note Version – As Passed by the House

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**Description**

House File 2689, as amended and passed by the House, relates to renewable fuel infrastructure incentives. The Bill also changes the calculation for the biodiesel retail tax credit from a calculation based on a retailer's total diesel sales to a calculation based on sales at each site operated by the retailer. This change is effective on enactment and is retroactive to January 1, 2008.

**Fiscal Impact**

The Department of Revenue reports that had the proposed change in the biodiesel retail tax credit been in effect for calendar year 2007 sales, biodiesel gallons eligible for the three cent per gallon tax credit would have been 3.5% higher. Applying that additional percentage to current projections of biodiesel tax credits earned under current law yields a net General Fund revenue reduction for increased tax credit redemptions of the following amounts:

- FY 2009 = \$105,000
- FY 2010 = \$137,000
- FY 2011 = \$238,000
- FY 2012 = \$282,000

The Biodiesel Retail Tax Credit sunsets January 1, 2012.

**Sources**

Department of Revenue, renewable fuel retail 2007 annual reports  
Legislative Services Agency projections of future biodiesel sales

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/s/ Holly M. Lyons

April 24, 2008

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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